

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
IN RE: :
 :
SEARS HOLDINGS CORPORATION, *et als* : CHAPTER 11
 :
 : Case No. 18-23538(rdd)
Debtors :
 : (Jointly Administered)
-----X

CURE OBJECTION of MACDADE MALL ASSOCIATES, L.P. (Store #3597)

MacDade Mall Associates, L.P. (“**MDMA**”), through its undersigned counsel, hereby objects to the Debtors’ stated cure amount, as follows:

1. MDMA is the lessor and Debtor KMart Corporation is the lessee of certain real property located at 600 MacDade Boulevard, Holmes, PA 19043 (the “**Premises**”), known as Store 3597, under the terms of a Lease dated December 10, 1982, as amended (the “**Lease**”).

2. Upon information and belief, Debtor KMart Corporation operates its store #3597 at the Premises.

3. On January 18, 2019, the Debtors served their “Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transactions” (the “**Cure Notice**”) on MDMA’s counsel.

4. At Line 205 of Schedule “B” of the Cure Notice, the Cure Amount for the Lease is stated as \$26,008.00.

5. The actual Cure Amount due under the terms of the Lease is \$295,775.58, as shown on MDMA’s filed Proof of Claim (#5880, filed December 5, 2018), incorporated herein by reference.

6. The specific items comprising the Cure Amount¹ are:

MacDade Mall Associats, L.P. (26)							
Kmart Corporation (0083)							
26	Kmart Corporation	Current	C-9773	TAXRECCY	08/14/2017	08/2017	11,846.15
26	Kmart Corporation	Current	C-16499	TAXRECCY	07/24/2018	07/2018	255,556.81
26	Kmart Corporation	Current	C-17411	INSRECCY	09/12/2018	09/2018	28,372.62

7. Invoices for each of these items (the 2017 Tax Reconciliation represents a partial balance due) are attached hereto as **Exhibits “A”, “B”, and “C”**.

KAPLIN STEWART MELOFF REITER & STEIN, P.C.

By: /S/ William J. Levant, Esquire
William J. Levant, Esquire
KAPLIN STEWART MELOFF REITER & STEIN, P.C.
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wlevant@kaplaw.com
Counsel for MacDade Mall Associates, L.P.

Date : January 21, 2019

¹ “Taxreccy” represents the annual real estate tax reconciliation amount.
“Insreccy” represents the annual insurance premium reconciliation amount.

EXHIBIT "A"

MacDade Mall Associates L.P.

120 West Germantown Pike, Suite 120
Plymouth Meeting, PA 19462
[p] 610/277-8899

To: Sears Roebuck and Company
Property Tax Dept 768 Tax B2-116A
P.O. Box 927000
Hoffman Estates, IL 60192-9901

Date: August 14, 2017
Invoice: KM/CTS/2017
Terms: Net 30 Days

REVISED

Re: MacDade Mall (Holmes, PA)
2017 / Property Tax Invoice for the County, Township and School
Kmart Store / 3597
Square footage = 105,569
Via / Email ONLY / Monika Kantor / Kmart Property Tax Dep

Pro-Rata 40.2881%

Category Expense Description	Total Cost	Pro-Rata Share	Net Due
2017 Ridley Township Taxes	52,728.79		
2017 Glenolden Borough Taxes	89,160.37		
2017 County Taxes Ridley Township	50,767.99		
2017 County Taxes Ridley Township	30,046.52		
2017 / 2018 Ridley School Taxes	214,081.50		
2017 / 2018 Borough of Glenolden School	326,707.53		
Total 2017 Taxes	763,492.70		
Less: 1983 Base Year	(143,209.00)		
Net Billable Real Estate Tax:	620,283.70	40.2881%	249,900.70
		Sub-Total	\$ 249,900.70
		Misc Charges	\$ -
		Invoice Total	\$ 249,900.70
Property Tax Notes: - Borough, Township and County Tax Period: 1/01/2017 - 12/31/2017. - Borough, Township School Tax Period: 7/01/2017 - 6/30/2018.			

EXHIBIT "B"

MacDade Mall Associates L.P.

120 West Germantown Pike, Suite 120

Plymouth Meeting, PA 19462

[p] 610/277-8899

To: Sears Roebuck and Company
Property Tax Dept 768 Tax B2-116A
P.O. Box 927000
Hoffman Estates, IL 60192-9901

Date: July 20, 2018
Invoice: KM/CTS/2018
Terms: Net 30 Days

Re: MacDade Mall (Holmes, PA

2018 / Property Tax Invoice for the County, Township and School

Kmart Store / 3597

Square footage = 105,569

Via / Email ONLY / Monika Kantor / Kmart Property Tax Dep

Pro-Rata	40.2881%
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Category Expense Description	Total Cost	Pro-Rata Share	Net Due
2018 Ridley Township Taxes	52,676.85		
2018 Glenolden Borough Taxes	89,160.37		
2018 County Taxes Ridley Township	50,767.99		
2018 County Taxes Ridley Township	30,046.52		
2018 / 2019 Ridley School Taxes	218,534.82		
2018 / 2019 Borough of Glenolden School	336,345.29		
Total 2018 Taxes	777,531.84		
Less: 1983 Base Year	(143,209.00)		
Net Billable Real Estate Taxes:	634,322.84	40.2881%	255,556.81
		Sub-Total	\$ 255,556.81
		Misc Charges	\$ -
		Invoice Total	\$ 255,556.81
Property Tax Notes: - Borough, Township and County Tax Period: 1/01/2018 - 12/31/2018. - Borough, Township School Tax Period: 7/01/2018 - 6/30/2019.			

EXHIBIT "C"

MacDade Mall Associates, L.P.

120 West Germantown Pike, Suite 120
Plymouth Meeting, PA 19462
[p] 610/277-8899

To: Sears Holding Corporation
Real Estate Department, BC-131A
3333 Beverly Road
Hoffman Estates, IL 60179

Date: September 12, 2018
Invoice: KM/INS/2018-19
Terms: Net 30 days

Re: MacDade Mall (Holmes, PA)
2018 / 2019 Insurance Invoice
Kmart Store / 3597
Square Footage / 105,569
Via / Email ONLY / Tammi Banaszak

Description		Pro-Rata Share	Tenant's Share
2018 / 2019 Insurance	\$ 91,595.00		
Less: Base Year	\$ (21,170.68)		
Total Cost	\$ 70,424.32	40.2881%	\$ 28,372.62
		Sub-Total	\$ 28,372.62
		Misc Charges	
		Invoice Total	\$ 28,372.62

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CERTIFICATE of SERVICE

I hereby certify, pursuant to 28 U.S.C. §1746, that on January 22, 2019, I caused a true and correct copy of the foregoing Cure Objection to be sent to each of the persons named on the attached Service List, by email (unless otherwise stated).

KAPLIN STEWART MELOFF REITER & STEIN, P.C.

By: /S/ William J. Levant, Esquire
William J. Levant, Esquire
KAPLIN STEWART MELOFF REITER & STEIN, P.C.
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wlevant@kaplaw.com
Counsel for MacDade Mall Associates, L.P.

SERVICE LIST

I. Bid Notice Parties

a. Debtors

Rob Riecker: rob.riecker@searshc.com
Luke Valentino: luke.valentino@searshc.com
Mohsin Meghji: mmeghji@miiipartners.com
General Counsel: counsel@searshc.com

b. Debtors' counsel

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Garrett A. Fail, Esq. garrett.fail@weil.com
Sunny Singh, Esq. sunny.singh@weil.com

c. Debtors' investment banker: project.blue.rx@lazard.com

II. Buyer Parties

a. Buyer

Kunal S. Kamalani: kunal@eslinvest.com
Harold Talisman: harold@eslinvest.com

b. Counsel

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III. Consultation Parties

a. Bank of America

Paul Leake, Esq.: Paul.Leake@skadden.com
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George Howard, Esq.: George.Howard@skadden.com

b. Wells Fargo Bank

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c. Committee

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Transform Holdco, LLC
c/o ESL Partners, Inc.
Attention: Kunal S. Kamlani and Harold Talisman
1170 Kane Concourse, Suite 200
Bay Harbor Islands, FL 33154

Via First Class Mail

Sears Holdings Corporation
Attn: General Counsel
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Hoffman Estates, IL 60179

Via First Class Mail

Weil, Gotshal & Manges LLP
Attention: Ray C. Schrock, P.C.,
Ellen J. Odoner, Gavin Westerman and Sunny Singh
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New York, New York 10153

Via First Class Mail

Cleary Gottlieb Steen & Hamilton LLP
Attention: Christopher E. Austin,
Benet J. O'Reilly and Sean A. O'Neal
One Liberty Plaza
New York, NY 10006

Via First Class Mail